

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 4 — 01 2

2. STATE:

UTAH

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

April 1, 2004

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1902(a)(13)(A) of the ~~XXXXX~~ Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 443,950

b. FFY 2005 \$ 1,563,050

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

ATTACHMENT 4.19-A, Page 11

ATTACHMENT 4.19-A, Page 11.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

ATTACHMENT 4.19-A, Page 11

New page

10. SUBJECT OF AMENDMENT:

Rural Hospital Augmented DSH

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ OTHER, AS SPECIFIED:

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Scott D. Williams, M.D.

14. TITLE:

Executive Director, Utah Department of Health

15. DATE SUBMITTED:

June 30, 2004

16. RETURN TO:

Scott D. Williams, M.D.

Executive Director,

Utah Department of Health

P.O. Box 143102

Salt Lake City, UT 84114-3102

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

July 2, 2004

18. DATE APPROVED:

10-26-04

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

APR - 1 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Bill Resnick, M.D.

21. TYPED NAME:

William LASOWSKI

22. TITLE:

Acting Deputy Director, CMSA

23. REMARKS:

POSTMARK: June 29, 2004

OCT 26 2004

1. B. Each qualifying hospital will complete the annual uncompensated care and disproportionate share survey thereby documenting the level of uncompensated care they provide. This survey is developed and communicated by the Utah Department of Health.

2. The yearly payment amount will then be released in quarterly installments. This will be released by the Utah Department of Health (Medicaid).

following:

The method and timing of the payment of this additional DSH will be according to the pending the amount of DSH funding available.

Medical Assistance Percentages (FMAP) rate in effect for the period involved and The actual yearly amounts available to each hospital will vary depending on the Federal Medical Assistance Percentages (FMAP) rate in effect for the period involved and pending the amount of DSH funding available.

Any government-owned hospital that can demonstrate a level of uncompensated care that is at a minimum equal to these amounts may qualify. The exception to this is any hospital that has previously qualified for additional DSH payments under Section 419 of the State Plan. This exception will extend only through 2008 whereupon such hospitals will be permitted to participate in this program or in their existing programs, whichever is greater.

YEAR	2008 & Succeeding Years
2004	\$88,429
2005	\$311,339
2006	\$450,207
2007	\$611,294
	\$611,294 (Plus percent increase in the allotted DSH pool)

These hospitals will be permitted a payment amount according to the following schedule:

INPATIENT HOSPITAL

Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

INPATIENT HOSPITAL

Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

413 Hospitals Deemed Disproportionate Share -- A hospital is deemed a disproportionate share provider if, in addition to meeting the obstetrical (Section 411) and the minimum utilization rate requirements (Section 412), it meets at least one of the following five conditions:

- A. The hospital's MIUR is at least one standard deviation above the mean MIUR. The disproportionate share computed percentage is based on the number of percentage points that an individual hospital indigent patient days exceeds the statewide average plus one standard deviation.
- B. The hospital's LIUR rate exceeds 25 percent.
- C. The hospital's MIUR exceeds 14 percent.
- D. The hospital's UMAP participation is at least 10 percent of total hospital UMAP patient care charges.
- E. Hospitals located in rural counties qualify because they are sole community hospitals. A sole community hospital is defined as a hospital that is located more than 29 miles from another hospital.

414 Payment Adjustment for General Acute Urban (excluding State Teaching Hospital and Children's Hospital) -- General Acute Urban Hospitals (Paid by DRGs) and meeting the qualifying DSH criteria are paid a DSH amount on each inpatient claim. The DSH Factor is derived by dividing the indigent inpatient days by the total general acute days for each hospital and multiplying by a "ceiling factor". The "ceiling factor" is an artificial factor assigned to ensure that DSH payments do not exceed federal DSH limits. The resulting percentage (DSH Factor) is rounded to the nearest whole percent. The DSH payment amount is the product of the Medicaid DRG payment times the DSH factor.

415 Payment Adjustment for General Acute Rural -- General Acute Rural Hospitals are paid at a DSH payment amount on each inpatient claim. The hospital must qualify based on the criteria shown in section 413 above. The DSH factor is derived by dividing the indigent patient days by the total general acute days for each hospital and multiplying by a "ceiling factor." The "ceiling factor" is an artificial factor assigned to ensure that DSH payments do not exceed federal DSH limits. The resulting percentage (DSH factor) is rounded to the nearest whole percent. The DSH payment amount is the product of the Medicaid payment times the DSH factor. Qualifying rural hospitals will be allowed to participate in a special DSH allotment set aside for government-owned rural hospitals.

T.N. No. 04-12

OCT 26 2004
Approval Date

Supersedes T.N. # 01-30

Effective Date 4-1-04